Ohio Senate Finance Committee Hearing Interested Party Testimony from United Way of Greater Cleveland on House Bill 96 Submitted May 21, 2025



Good morning, Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and other distinguished members of the Senate Finance Committee. Thank you for the opportunity to provide written testimony on House Bill 96.

Since 2017, United Way has released the annual Ohio ALICE (Asset Limited, Income Constrained, Employed) Report, focusing on individuals and families in our community who earn just above the Federal Poverty Level (FPL) but less than what it costs to make ends meet. FPL data does not truly capture all individuals struggling financially throughout Ohio. This is why ALICE data is essential in helping legislators and administrators understand the impact of policies aimed at working families. Our constituents, neighbors, friends, family members, and colleagues are ALICE, and these households are represented in every county and legislative district in Ohio.

We are grateful for Governor DeWine and the Ohio General Assembly's commitment to allocating state and federal funds to programs helping the ALICE population including investments in healthcare services, higher education, and workforce readiness programs, all helping make Ohio the best place in the country to live, work, and raise a family.

As the Governor and legislature continue to deliberate on the State Operating Budget, we ask that you fund the following four recommendations. These priorities directly support the ALICE population by making life more affordable for working families across Ohio and growing workforce participation.

1. Reinstate the Governor's recommendation of a \$1,000 Child Tax Credit (TAXCD61).

Although wages have increased particularly among low-wage jobs across Ohio, of the 20 most common occupations in Ohio, 14 paid less than \$20 per hour. In Ohio, just to cover the basic costs of living, it costs on average \$65,000 annually to support a family of four and up to \$79,000 for families with two children in childcare. 31 percent of all families with children in Ohio are below the ALICE threshold, demonstrating the financial struggles families face trying to raise and grow a family in our state. Support through a \$1,000 refundable child tax credit would be essential in helping families survive. Three states with a refundable state-level child tax credit have a lower percentage of residents living below the ALICE threshold compared to Ohio. In addition, tax credits that raise after-tax wages make work more attractive and help keep people in the workforce.

2. Reinstate the Governor's recommendation of offering Publicly Funded Childcare for families making up to 200% FPL (KIDCD21).

For ALICE families with young children, childcare is the highest cost in their household budget at \$1,600 per month for two children. In addition, without affordable and accessible

childcare, parents cannot fully participate in the workforce, must work reduced hours, or forego pay raises and advancements in their career. To make Ohio the best place to work and raise a family, ALICE families need expanded access to publicly funded childcare with increased eligibility to 200% FPL.



3. <u>Allocate \$2 million in each fiscal year to Ohio 211 to ensure all Ohioans have access to information and referral services (SC1796).</u>

Only 31 percent of households below the ALICE threshold have access to emergency savings to weather a crisis. Ohio 211 is a vital informational and referral resource assisting the ALICE population and connecting them to services in their community, including employment, food, housing, utility assistance, counseling, substance use treatment, legal, tax preparation, and health care. In 2024 alone, Ohio 211 served over 786,000 Ohioans. The top needs from callers in 2024 were food, followed by housing, and utility assistance, the same categories that ALICE families struggle to afford. Currently, Ohio is one of three states in the United States without full 211 coverage for its entire population. Thirty counties in Ohio, home to approximately 1.5 million residents, do not have access to full 211 services. In the uncovered counties, almost 50 percent of all households are ALICE, and some of these counties have the highest poverty, unemployment, and drug overdose death rates in Ohio. Allocating \$2 million per fiscal year to Ohio 211 would expand services in these counties and connect all Ohioans and their families to life-saving services.

4. Reinstate the Governor's recommendation of \$2 million in each fiscal year to the Siemer Family Institute (JFSCD7).

In partnership with the Ohio Department of Job and Family Services, the Siemer Institute has funded six Family Stability programs with local United Ways to prevent homelessness. 68 percent of ALICE families are rent burdened, spending over 30 percent of their income on rent, and are at risk of becoming homeless. Over the past six years, the network has helped prevent homelessness for over 13,000 Ohio families, and helped 67 percent of participants increase their income. This program has demonstrated a return on investment to the state as it prevents families from needing other forms of more costly government assistance. Reinstating the \$2 million per fiscal year appropriation can help ALICE households maintain stable living conditions and thrive in the future.

Thank you for considering our budget recommendations that improve the quality of life, not just for ALICE families, but for entire communities and the whole state.

Contact for Follow Up:

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